

# Section 4



## Eligibility Standards and Methodology

**Section 4. Eligibility Standards and Methodology. (Section 2102(b))**

**Check here if the state elects to use funds provided under Title XXI only to provide expanded eligibility under the state's Medicaid plan, and continue on to Section 5.**

- 4.1. The following standards may be used to determine eligibility of targeted low-income children for child health assistance under the plan. Please note whether any of the following standards are used and check all that apply. If applicable, describe the criteria that will be used to apply the standard. (Section 2102)(b)(1)(A)) (42CFR 457.305(a) and 457.320(a))**

**4.1.1. X Geographic area served by the Plan:** Statewide

**4.1.2. X Age:**

KidsCare is available to children under 19 years of age. A child is considered to be under age 19 through the day before the child's 19th birthday. Coverage will continue through the month in which the child turns age 19.

**4.1.3. X Income:**

The combined gross income of the family household members may not exceed 200% of the FPL. As required by CMS, certain payments and grants as specified in 20 CFR Part 416, the Appendix to Subpart K, are excluded when determining gross income. All wages paid by the Census Bureau for temporary employment related to census activities are excluded.

See Attachment G for a description of family household income and the methodology for evaluating family income.

**4.1.4. Resources (including any standards relating to spend downs and disposition of resources):**

No resource test.

**4.1.5. X Residency:**

Arizona residency is required. An Arizona resident is a person who currently lives in Arizona and intends to remain in the state indefinitely. AHCCCS requires a signature on the application declaring that the child is an Arizona resident.

**4.1.6. Disability Status (so long as any standard relating to disability status does not restrict eligibility):**

**4.1.7. X Access to or coverage under other health coverage:**

A child is not eligible for KidsCare if the child is:

- Eligible for Medicaid.
- Covered under an employer's group health insurance plan.
- Covered through family or individual health care coverage.
- Eligible for health benefits coverage under a state health benefits plan on the basis of a family member's employment with a public agency (see Attachment H).
- Covered under an employer's group health insurance plan or by private insurance within the last three months and the health insurance coverage was terminated for a reason other than involuntary loss of employment. This exclusion does not apply to persons with group health insurance who resigned from employment to avoid termination of employment. This exclusion also does not apply to children who:
  1. Reached their lifetime insurance limit;
  2. Are newborns;
  3. Are transitioning Title XIX members;
  4. Are applicants who are seriously or chronically ill;
  5. Are Title XXI members who lose insurance coverage;
  6. Are enrolled with Children's Rehabilitative Services; or
  7. Are Native American members receiving services from IHS or a 638 Tribal Facility.

**4.1.8. X Duration of eligibility:**

A child who is determined eligible for KidsCare is guaranteed an initial 12 months of continuous coverage unless the child (or parent or legal guardian if appropriate):

- Fails to cooperate in meeting the requirements of the program;
- Cannot be located;
- Attains the age of 19.
- Is no longer a resident of the state;
- Is an inmate of a public institution;
- Is enrolled in Medicaid;
- Is determined to have been ineligible at the time of approval;
- Obtains private or group health insurance;
- Is adopted and no longer qualifies for KidsCare;

- Is a patient in an institution for mental diseases; or
- Voluntarily withdraws from the program.

KidsCare members are notified on the approval notice of the requirement to report changes that affect eligibility. Ineligibility due to excess income does not affect the initial 12 months of continuous coverage.

**4.1.9. X Other standards (identify and describe):**

***Citizenship or Qualified Alien Status.*** A child must be a United States citizen or a qualified alien. Unless one of the exceptions listed in P.L. 104-193 is applicable, a child who is a qualified alien who entered the United States on or after August 22, 1996 is not eligible for KidsCare until five years after the child became a qualified alien.

***Assignment of Rights.*** Under Arizona law, assignment of payments for medical care from any first or third party occurs when the application is signed. Assignment is explained on the application form.

***Social Security Number.*** The application for KidsCare is a joint application for Medicaid and KidsCare. AHCCCS requests a Social Security Number on the KidsCare application but does not deny eligibility for KidsCare due solely to the failure to provide a Social Security Number or refusal to apply for a Social Security Number. However, if the financial screening determines that the child would be eligible for Medicaid if an application were processed and the child, or responsible party, refuses to apply for a Social Security Number necessary to complete the Medicaid application, AHCCCS denies the KidsCare eligibility. Please see the requirement in Section 4.4.2.

**4.2. The state assures that it has made the following findings with respect to the eligibility standards in its plan: (Section 2102)(b)(1)(B)) (42CFR 457.320(b))**

**4.2.1. X These standards do not discriminate on the basis of diagnosis.**

**4.2.2. X Within a defined group of covered targeted low-income children, these standards do not cover children of higher income families without covering children with a lower family income.**

**4.2.3. X These standards do not deny eligibility based on a child having a pre-existing medical condition.**

**4.3. Describe the methods of establishing eligibility and continuing enrollment. (Section 2102)(b)(2)) (42CFR 457.350)**

The following describes the methods of establishing and continuing eligibility and enrollment.

The child, a family member or legal guardian, fills out a simple application form, which is submitted, to AHCCCS. If assistance with the application is needed, appropriate personnel assist the applicant. The form also serves as an application for Medicaid.

AHCCCS has published the application form and instructions for completing the form in English and Spanish. Based on the demographics in Arizona of other ethnic groups, AHCCCS does not believe that developing the application in other languages is necessary since no other ethnic group exceeds 3% of the population. However, an interpreter is provided, if needed.

AHCCCS completes an eligibility determination for KidsCare applications within 30 days from the date of receipt of a signed, completed application in an AHCCCS eligibility office except in unusual circumstances. One example would be when the agency can not reach a decision because the applicant failed to provide required information or take required action.

When information needed to make an eligibility determination is not submitted with the application, AHCCCS sends a notice to the applicant or the representative outlining the information required and the time frame for providing the information. AHCCCS gives applicants ten calendar days to provide any information necessary to enable AHCCCS to determine the applicant's eligibility.

Applicants must choose a health plan or the IHS before enrollment into the KidsCare Program.

Written materials about the various health plans and their toll-free telephone numbers are available with the application form. In addition, the covered services are outlined in the written materials. If a Native American selects the Indian Health Service or a tribal facility, AHCCCS provides any KidsCare services not provided by these entities on a fee-for-service basis off-reservation.

The KidsCare providers are:

- AHCCCS health plans, which includes Comprehensive Medical and Dental Program (CMDP) for foster care children.
- For Native Americans, any of the above or the Indian Health Service or a 638 tribal facility.

For eligibility determinations completed by the 25<sup>th</sup> day of the month, KidsCare eligibility begins with the first day of the month following the month in which the child is determined to meet the eligibility criteria for the program. Children who are determined eligible for the program after the 25<sup>th</sup> day of the month are eligible for the program the first day of the second month following the determination of eligibility.

Once the application is approved, the applicant is enrolled with their chosen provider and AHCCCS sends a notice confirming the choice and a member identification card to the member. Following enrollment, the contractor provides a member handbook to the member, which contains important information about how to access health care for KidsCare eligible children.

AHCCCS approves a newborn of a mother who is eligible for KidsCare on the date the child is born and enrolled in the KidsCare Program. The newborn's KidsCare eligibility begins with the newborn's date of birth. Prior to approval, the agency contacts the mother by telephone to verify household composition and monthly income. Once approved for KidsCare, AHCCCS enrolls the newborn with the mother's health plan. AHCCCS notifies the mother by mail of the newborn's enrollment into KidsCare and is given an opportunity to change health plans at that time.

If a member of a family is enrolled in KidsCare and another child is born to the family, AHCCCS enrolls the newborn in KidsCare if the family income meets the KidsCare criteria. Eligibility is prospective. The same process applies to a child who may be reunited with a family.

A member is allowed to change contractors on an annual basis and when an individual moves into a new geographic area not served by the current contractor. A member can change PCPs at any time. The option to change contractors is based on the member's anniversary date, which is the first day of the month that the member is enrolled into KidsCare. Ten months following the anniversary date, the member will be sent an annual enrollment notice advising that a different contractor may be selected. A list of contractors, with toll-free numbers and the available services, is included. The member, or parent of the child, has three weeks to change contractors. If a change is requested, the effective date is a year from the anniversary date. Enrollees must notify AHCCCS of a change in address or other circumstances that could affect continued eligibility or enrollment.

Children who elect to enroll with IHS or a 638 tribal facility are allowed to disenroll at any time upon request and choose a contractor for all KidsCare services. Similarly, Native American children enrolled with a contractor or other provider are allowed to disenroll at any time upon request and enroll with the IHS.

**4.3.1 Describe the state's policies governing enrollment caps and waiting lists (if any). (Section 2106(b)(7)) (42CFR 457.305(b))**

Arizona does not currently have an enrollment cap or wait list in place. AHCCCS will submit a state plan amendment if the state decides to implement an enrollment cap or waiting list.

**4.4. Describe the procedures that assure that:**

**4.4.1. Through the screening procedures used at intake and follow-up eligibility determination, including any periodic redetermination, that only targeted**

**low-income children who are ineligible for Medicaid or not covered under a group health plan or health insurance coverage (including access to a state health benefits plan) are furnished child health assistance under the state child health plan. (Sections 2102(b)(3)(A) and 2110(b)(2)(B)) (42 CFR 457.310(b) (42CFR 457.350(a)(1)) 457.80(c)(3))**

AHCCCS ensures that a child who is not eligible for Medicaid, but who meets KidsCare eligibility criteria, is enrolled in KidsCare. AHCCCS administers both the Medicaid and KidsCare Program. Medicaid screening is part of the KidsCare eligibility determination process. Records of KidsCare eligibility are maintained in a database that is also used for Medicaid eligibility. The database is checked for current Medicaid eligibility before determining KidsCare eligibility. Medicaid eligibility always overrides KidsCare eligibility.

AHCCCS accepts a declaration on the application confirming that there is no other creditable insurance including the state health benefits plan. A family member, legal representative or the child is required to report changes in employer insurance coverage or eligibility for group health insurance or other creditable insurance.

When conducting a renewal (periodic redetermination) of KidsCare eligibility, AHCCCS screens for potential Medicaid eligibility, group health plan, health insurance coverage, or other state health benefits. If a child appears to meet the Medicaid eligibility criteria, AHCCCS forwards a copy of the renewal application and all obtained verification to the Department of Economic Security staff for an eligibility determination. For review of potential group health plan coverage see section 4.4.4.1.

**4.4.2. The Medicaid application and enrollment process is initiated and facilitated for children found through the screening to be potentially eligible for medical assistance under the state Medicaid plan under Title XIX. (Section 2102)(b)(3)(B)) (42CFR 457.350(a)(2))**

As stated in subsection 4.4.1, AHCCCS administers both Medicaid and the KidsCare Program and ensures that any child eligible for Medicaid is enrolled in Medicaid. The application form used for KidsCare initiates an application for Medicaid, which is determined simultaneously. Medicaid eligibility always overrides KidsCare eligibility.

If a child appears to meet Medicaid eligibility criteria, AHCCCS forwards a copy of the application and all obtained verification to the Department of Economic Security staff for an eligibility determination. Prior to a full Medicaid determination, AHCCCS enrolls the child into KidsCare. If the child is approved for Medicaid, AHCCCS claims Medicaid funding, rather than KidsCare funding, back to the date of Medicaid eligibility which generally is prior to the KidsCare eligibility effective date.

If the KidsCare staff screen a child both Medicaid and KidsCare ineligible, they forward the application to the AHCCCS Central Screening Unit (CSU). The CSU reviews the application and makes a full Medicaid eligibility determination. If the child is ineligible for Medicaid due to income, the CSU sends notification of the decision to the family.

**4.4.3. The State is taking steps to assist in the enrollment in SCHIP of children determined ineligible for Medicaid. (Sections 2102(a)(1) and (2) and 2102(c)(2)) (42CFR 431.636(b)(4))**

In addition to the process described in subsection 4.4.1. the Department of Economic Security sends information daily to AHCCCS on children who lose their Medicaid coverage due to increased income. If eligible, AHCCCS approves the children for KidsCare.

**4.4.4 The insurance provided under the state child health plan does not substitute for coverage under group health plans. Check the appropriate box. (Section 2102)(b)(3)(C)) (42CFR 457.805) (42 CFR 457.810(a)-(c))**

**4.4.4.1. X Coverage provided to children in families at or below 200% FPL: describe the methods of monitoring substitution.**

The application requests information about group health plan coverage within the past three months. If a child is covered by group health insurance or was covered and the coverage was voluntarily discontinued, the child is not eligible for KidsCare for a period of three months unless the child has exceeded the lifetime limit to his or her insurance policy. AHCCCS grants exceptions to the three month period of ineligibility as discussed in 4.1.7.

AHCCCS monitors substitution under its Quality Control and Quality Assurance process to analyze the extent to which an applicant drops other health plan coverage. Records are reviewed to ensure that the three month period of ineligibility policy is applied appropriately. Action is taken as needed. Trends are monitored to ensure that the policy is consistently applied throughout the program.

**4.4.4.2. Coverage provided to children in families over 200% and up to 250% FPL: describe how substitution is monitored and identify specific strategies to limit substitution if levels become unacceptable.**

**4.4.4.3. Coverage provided to children in families above 250% FPL: describe how substitution is monitored and identify specific strategies in place to prevent substitution.**



**4.4.4.4. If the state provides coverage under a premium assistance program, describe:**

**The minimum period without coverage under a group health plan, including any allowable exceptions to the waiting period.**

**The minimum employer contribution.**

**The cost-effectiveness determination.**

**4.4.5 Child health assistance is provided to targeted low-income children in the state who are American Indian and Alaska Native. (Section 2102)(b)(3)(D)) (42 CFR 457.125(a))**

Meetings to discuss the KidsCare Program and education strategies have been and continue to be held with representatives from the three area IHS agencies, the Arizona Inter-tribal Council, which represents 20 of Arizona's 21 Indian Tribes, the Navajo Nation, Urban Indian Centers and the Indian Health Advisory Committee. In addition, the Governor's Office convened a meeting to discuss the KidsCare Program and invited representatives from the 21 tribes. See Attachment I for a listing of the tribal entities who have participated in the discussions.

As discussed in Section 3, IHS and participating 638 tribal facilities may provide KidsCare services. In addition, Native American children may choose to enroll with a contractor in their geographic area.

Applications and enrollment information are available at IHS and appropriate tribal locations. AHCCCS also uses Native American events, newspapers, and radio stations as a forum for outreach. If IHS or tribal staff are willing to assist applicants in completing the application for AHCCCS health insurance, AHCCCS provides training.

AHCCCS has a Native American Coordinator who is available to the tribes for consultation, information and presentations.